

those related to staff hired subsequent to December 31, 1982 and those appeal requests received by the department prior to July 1, 1985.

(iv) In the determination of rates, reported costs shall be subject to the limitations and adjustments contained in sections 86-2.12, 86-2.17, 86-2.18, 86-2.25 and 86-2.26 of this Subpart.

(v) Salaries paid to related parties shall be subject to an initial maximum not to exceed \$17,000. This limitation may be waived by the department pursuant to the provisions of section 86-2.14(a)(7) of this Subpart.

(c) **Direct component of the rate.** (1) Allowable costs for the direct component of the rate shall include costs reported in the following functional cost centers on the facility's annual cost report (RHCF-4) or extracted from a hospital-based facility's annual cost report (RHCF-2) and the institutional cost report of its related hospital, after first deducting for capital costs and allowable items not subject to trending.

- (i) nursing administration;
- (ii) activities;
- (iii) social services;
- (iv) transportation;
- (v) physical therapy;
- (vi) occupational therapy;
- [(vii) laundry and linen]

TN 91-25

Supp. 1

90-10

Annual Date

JUL 11 1994

APR 1 - 1991

- [(viii)] (vii) speech and hearing therapy-(speech therapy portion only)
- [(ix)] (viii) pharmacy;
- [(x)] (ix) central service supply; and
- [(xi)] (x) residential health care facility.

(2) For purposes of calculating the direct component of the rate, the department shall utilize the allowable direct costs reported by all facilities with the exception of specialty facilities as defined in subdivision (i) of this section.

(3) [Except as provided for in subparagraph (4)(viii) of this subdivision, the] The statewide mean, base and ceiling direct price for patients in each patient classification group shall be determined as follows:

(i) Allowable costs for the direct cost centers for each facility after first deducting capital costs and items not subject to trending, shall be multiplied by the appropriate Regional Direct Input Price Adjustment Factor ("RDIPAF"), as determined pursuant to paragraph (5) of this subdivision. The RDIPAF neutralizes the difference in wage and fringe benefit costs between and among the regions caused by differences in the wage scaled of each level of employee.

(ii) The statewide distribution of patients in each patient classification group shall be determined for 1986 payments utilizing

91-25

JUL 11 1994

90-10

APR 1 - 1991

OFFICIAL

NEW YORK

-23-

Attachment 4.19-0

Part 12

the patient data obtained in the patient assessment period, March 1, 1985 through September 30, 1985, conducted pursuant to Section 86-2.30 of this Subpart.

(iii) A statewide mean direct case mix neutral cost, a statewide base direct case mix neutral cost and a statewide ceiling direct case mix neutral cost shall be determined as follows:

(a) Allowable direct costs for each facility, after first deducting capital costs and items not subject to trending and adjusted by applying the RDIPAF shall be summed to determine total statewide direct costs.

(b) The aggregate statewide case mix index shall be determined by multiplying number of patients on a statewide basis in act patient classification group by the case mix index for each patient classification group and the results summed.

(c) A statewide mean direct cost per day shall be determined by dividing total statewide direct costs by the aggregate number of statewide 1983 patient days.

(d) A statewide mean direct case mix neutral cost per day shall be determined by dividing the statewide mean direct cost per day by the ratio of the aggregate statewide case mix index to the number of patient review instruments received pursuant to Section 86-2.30 of this Subpart.

86-4
supersedes
84-26

Approval Date

JUL. 29 1987

Effective Date

JAN. 1 1986

86-2.10 (6/91)
Attachment 4.19-D
Part I

(e) The statewide mean direct case mix neutral cost per day shall be the basis to establish a corridor between the statewide base direct case mix neutral cost per day and the statewide ceiling direct case mix neutral cost per day.

(f) The corridor shall be established by use of a base factor and a ceiling factor expressed as a percentage of the statewide mean direct case mix neutral cost per day.

(g) A statewide base direct case mix neutral cost per day shall be determined by multiplying the base factor times the statewide mean direct case mix neutral cost per day.

(h) A statewide ceiling direct case mix neutral cost per day shall be determined by multiplying the ceiling factor times the statewide mean direct case mix neutral cost per day.

(i) A statewide mean direct price per day for each patient classification group shall be determined by multiplying the statewide mean direct case mix neutral cost per day by the case mix index for each patient classification group, provided however that the index for reduced physical functioning A shall be .4414.

(j) A statewide base direct price per day for each patient classification group shall be determined by multiplying the statewide base direct case mix neutral cost per day by the case mix index for each patient classification group, provided however that the index for reduced physical functioning A shall be .4414.

91-25

Supersedes 90-10

JUL 11 1994

APR 1 - 1991

86-2.10 (6/91)
Attachment 4.19-D
Part I

(k) A statewide ceiling direct price per day for each patient classification group shall be determined by multiplying the statewide ceiling direct case mix neutral cost per day by the case mix index for each patient classification group, provided however that the index for reduced physical functioning A shall be .4414.

TN 91-25 Approval Date JUL 11 1994
Supersedes TN 90-10 Effective Date APR 1 - 1991

OFFICIAL

NEW YORK
-27-

Attachment 4.19-D
Part I\$

determined by multiplying the statewide base direct price per day for each patient classification group times the number of patients properly assessed and reported by the facility in each patient classification group pursuant to section 86-2.30 of this Subpart and dividing the sum of the results by the total number of patients properly assessed and reported by the facility pursuant to section 86-2.30 of this Subpart.

(iii) The facility specific ceiling direct price per day shall be determined by multiplying the statewide ceiling direct price per day for each patient classification group times the number of patients properly assessed and reported by the facility in each patient classification group pursuant to section 86-2.30 of this Subpart and dividing the sum of the results by the total number of patients properly assessed and reported by the facility pursuant to section 86-2.30 of this Subpart.

(iv) The facility specific cost based direct price per day shall be determined by dividing a facility's adjusted allowable reported direct costs after first deducting capital costs and items not subject to trending and, after application of the RDIPAF, by the facility's 1983 total patient days.

86-4
supersedes
84-26

Approval Date JUL. 29 1987

Effective Date JAN. 1 1986

OFFICIAL

NEW YORK
-28-

Attachment 4.19-D
Part I

(v) Except as contained in subparagraph (vi) of this paragraph, the facility specific direct adjusted payment price per day shall be determined by comparison of the facility specific cost based price per day with the facility specific base direct price per day and the facility specific ceiling direct price per day pursuant to the following table:

<u>Facility Specific Cost Based</u>	<u>Facility Specific Direct</u>
<u>Direct Price Per Day</u>	<u>Adjusted Payment Price Per Day</u>
<u>Below Facility Specific Base</u>	<u>Facility Specific Base</u>
<u>Direct Price Per Day</u>	<u>Direct Price Per Day</u>
<u>Between Facility Specific Base</u>	<u>Facility Specific Cost</u>
<u>Direct Price Per Day and Facility</u>	<u>Based Direct Price Per Day</u>
<u>Specific Ceiling Direct</u>	
<u>Price Per Day</u>	
<u>Above Facility Specific Ceiling</u>	<u>Facility Specific Ceiling</u>
<u>Direct Price Per Day</u>	<u>Direct Price Per Day</u>

86-4
supersedes
84-26

Approval Date JUL. 29 1987 Effective Date JAN. 1 1986

OFFICIAL

NEW YORK

-29-

Attachment 4.19-D

Part I

(vi) The facility specific direct adjusted payment price per day shall be considered to be the facility specific cost based direct price per day when such price is below the facility specific base direct price per day subject to the provisions of paragraph 6 of this subdivision for the following operators of residential health care facilities:

(a) An operator who has had an operating certificate revoked pursuant to Section 2806(5) of the Public Health Law and is operating a residential health care facility pursuant to an Order of the Commissioner of this department;

(b) An operator of a facility in which the federal Health Care Financing Administration (HCFA) has imposed a ban on payment for all Medicare and Medicaid admissions after a specified date pursuant to Section 1866(f) of the federal Social Security Act until the lifting of the ban in writing by HCFA.

(vii) The direct component of a facility's rate shall be the facility specific direct adjusted payment price per day determined in subparagraph (v) or (vi) of this paragraph as applicable after applying the RDIPAF.

86-4
supersedes

84-26

Approval Date JUL. 29 1987

Effective Date JAN. 1 1986

OFFICIAL

New York

-30-

Attachment 4.19-D
Part I

[RESERVED]

TN 97-25 Approval Date JUL 11 1994
Supersedes TN 90-10 Effective Date APR 1 - 1991



(5) The RDIPAF shall be based on the following factors:

(i) Residential health care facilities shall be grouped, by county, into 16 regions within the State as outlined in Appendix 13-A, *infra*.

(ii) The [facilities] facility's staffing, based on case mix predicted staffing for registered professional nurses, licensed practical nurses, and aides, orderlies and assistants for each facility. The case mix predicted staffing shall be adjusted annually on January 1st of each rate year based on the [most recent] PRI's submitted by each facility [prior to January 1st] for the fourth quarter of the preceding calendar year, in accordance with sections 86-2.11(b) and 86-2.30 of this Subpart. Until such PRIs are available, the case mix predicted staffing shall be based on the most current PRIs available prior to calculation of the initial rate effective January 1st of each rate year. The case mix predicted staffing shall subsequently be revised based on more recent PRI submissions until such time as the PRIs for the fourth quarter of the preceding calendar year are available.

(iii) The proportion of salaries and fringe benefit costs for the direct care cost[s] centers indicated in subdivision (c) of this section to the total costs of such direct care cost centers.

TN 91-25

Supersedes TN 90-10 Effective Date APR 1 - 1991

JUL 11 1994